

American Competitiveness in a Changing World: An Agenda for Action

**U.S. SENATOR MAX BAUCUS (D-MONT.)
RANKING MEMBER, U.S. SENATE COMMITTEE ON FINANCE**

U.S. Senator Max Baucus (D-Mont.), the Ranking Democratic Member of the Senate Finance Committee, is announcing a bold agenda to advance American competitiveness, maintain American economic leadership in the world, and preserve high-wage American jobs here at home. To meet the challenge from emerging China, India, and other global competitors, Baucus will introduce a comprehensive 2006 legislative package to strengthen America's competitiveness in a changing world.

In a series of Senate floor speeches in 2005, Baucus outlined the need to improve American education, research, trade, health care, savings, and energy policy with the following key steps:

EDUCATION

Help Americans develop skills necessary to continue to compete in higher-value-added fields. • Ensure that children come to school ready to learn. • Ensure that children have modern and well-equipped schools. • Ensure that children have small classes. • Raise salaries for teachers in poor schools by 50 percent. • Raise the salaries of top-performing teachers and teachers in math, science, and languages by another 50 percent. • Ensure quality after-school programs. • Lengthen the school year. • Support community colleges and link more strongly to workforce opportunities. • Expand Pell Grants. • Improve, consolidate, and expand education tax incentives. • Expand and extend the deduction for tuition expenses. • Increase scholarships and loan forgiveness for science and engineering students. • Expand Hope and Lifetime Learning credits. • Make it possible for non-traditional students to obtain an education. • Retrain workers whose jobs are lost to trade and help them reenter the workforce. • Make it easier, consistent with the requirements of national security, for foreign students to study in America. • Make visa renewals during multiyear studies routine. • Change visa renewal requirements policies now contingent on students' return to their home countries.

RESEARCH

Reward innovation and risk-taking. • Fully fund research support organizations (National Science Foundation, National Institutes of Health, and the Office of Science at the Department of Energy). • Simplify and make permanent the R&D tax credit. • Encourage talented foreign students to study, research, and innovate at American universities and research institutions. • Simplify the permanent residence process for exceptional foreign students with advanced science degrees from American universities.

TRADE

Open new markets for American exports worldwide. • Improve enforcement of existing trade agreements. • Do more to defend American intellectual property rights. • Prompt China to further loosen its currency. • Look more to Asia for bilateral agreements. • Advance regional trade agreements in Asia. • Seek out further sectoral agreements such as the WTO's Information Technology Agreement. • Launch an initiative in the advanced medical equipment sector. • Expand trade adjustment assistance to service workers and expand wage insurance. • Make it easier for major American companies to employ and train their overseas employees. • Facilitate international participation in meetings and conferences and travel to trade shows.

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HEALTH CARE

Address the burdensomely high cost of health care. • Provide health insurance tax credits to small employers. • Fund employer-based group-purchasing pools. • Increase funding for high-risk pools. • Expand Medicaid and the State Children's Health Insurance Program. • Permit a Medicare buy-in for the near-elderly. • Facilitate the use of health information technology (IT). • Use health IT to link medication administration to a patient's clinical information. • Foster standards for interoperability of health IT systems. • Improve healthcare providers' ability to exchange clinical data. • Provide loans and grants to encourage the use of health IT. • Provide higher Medicare reimbursements to providers working to improve the quality of delivered care. • Coordinate senior care to ensure adequate preventive care and chronic condition management.

SAVINGS

Increase national savings. • Plug the biggest leak in our national savings pool: the federal budget deficit. • Truthfully report current and future Federal Government spending needs. • Restore pay-as-you-go rules for both entitlement spending and tax cuts. • Reduce the annual tax gap. • Eliminate wasteful and unnecessary spending. • Eliminate wasteful and unfair tax breaks, such as abusive tax shelters and corporate tax loopholes. • Slow growth in healthcare costs. • Increase private savings. • Improve financial education. • Encourage automatic enrollment of eligible workers in retirement savings plans. • Bring payroll-deduction retirement savings to private sector workers lacking 401(k)s or similar plans. • Make incentives for saving more progressive. • Extend the Savers' Credit and expand to Americans with no income tax liability.

ENERGY

Launch a new "Manhattan Project" to develop clean alternative energies. • Foster the use of hydrogen and fuel cells. • Foster wind energy. • Make a clear commitment to the development of biomass and ethanol-based fuels. • Encourage energy R&D through research grants to industry and educational institutions and tax incentives for R&D. • Offer prizes to spur innovation. • Create an investment tax credit for coal gasification technology (this objective was met in the 2005 energy bill). • Create a 50-cent-per-gallon tax credit for companies that generate fuel using an updated version of the F-T process (this objective was met in the 2005 highway bill). • Create a Federal loan guarantee so that companies can finance these capital investments (this objective was met in the 2005 highway bill).

The text of Senator Baucus's 2005 addresses on competitiveness is available at <http://finance.senate.gov/sitepages/baucus.htm>, or by request from the Democratic staff of the Senate Finance Committee. Please contact Democratic Deputy Staff Director Bill Dauster or Democratic Communications Director Carol Guthrie at 202-224-4515 for more information on the 2006 Agenda for American Competitiveness.